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Special Body on Least Developed, Landlocked Developing and Pacific Island Developing Countries: development issues relevant to landlocked developing countries

Summary of the status of implementation of the Vientiane Consensus

Note by the secretariat**

Summary

Landlocked developing countries in the Asia-Pacific region continue to face major challenges and development gaps despite significant progress made in several areas of the Almaty Programme of Action. Lack of territorial access to the sea, remoteness and high transit costs continue to impose serious constraints on their development. Additional border crossings substantially increase total expenses for transport services. The economic performance of landlocked developing countries reflects direct and indirect impacts of their geographical situation. Many landlocked developing countries are among the poorest countries in the world and their economies are typically heavily dependent on a very limited number of primary resources.

The Commission in its resolution 69/2 on the final review of the implementation of the Almaty Programme of Action in the Asia-Pacific region requested the countries of the region and international and regional organizations to endorse the Vientiane Consensus and urgently consider the implementation, as appropriate, of the recommendations contained therein.

The present document provides a review of the progress made by Asia-Pacific landlocked developing countries in the priority areas of the Vientiane Consensus since the sixty-ninth session of the Commission. It shows that, under various bilateral, multilateral and self-funded arrangements, landlocked developing countries have made considerable efforts to improve transport and trade connectivity with their neighbours, as well as to enhance their own domestic transport connectivity by improving and upgrading their transport networks. The present document also contains some of the challenges encountered, as well as a summary of activities carried out by ESCAP in implementing the Vientiane Consensus.

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** The late submission of the document is due to the need to incorporate the latest economic and social data for landlocked developing countries.

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I. Introduction

1. For most of the landlocked developing countries, in addition to fluctuating growth and dependence on a limited number of commodities for export earnings, socioeconomic development remains constrained by lack of territorial access to the sea, as well as due to remoteness and isolation from the world markets. Additional border crossings substantially increase transport costs, limiting potential exports and reducing competitiveness and profitability. Import prices also tend to be high due to inflated transit transport costs.

2. One of the major United Nations mandates to assist landlocked developing countries is the Almaty Programme of Action, which was specifically designed to address their special needs through: (a) establishing a new global framework for developing efficient transit transport systems in landlocked and transit developing countries, taking into account the interests of both landlocked and transit developing countries; and (b) promoting trade for development.[1] In the Asia-Pacific region, ESCAP has been working closely with other United Nations agencies and development partners to assist these countries through the implementation of that global mandate.

3. In this context, ESCAP and the Government of the Lao People's Democratic Republic, in collaboration with the Economic Commission for Europe (ECE) and the Office of the High Representative for the Least Developed Countries, Landlocked Developing Countries and Small Island Developing States organized the Asian European Final Regional Review of the Almaty Programme of Action in Vientiane on 5 and 7 March 2013. In the outcome document, the Vientiane Consensus, several key broad priorities for the global review were identified, including: (a) a stable macroeconomic framework, trade and investment, mobilization of domestic resources, promoting foreign private investment, public-private partnerships (PPPs) for closing infrastructure gaps and building productive capacities; (b) deepening regional economic integration as an enabler to tap expanding markets in

[1] *Report of the International Ministerial Conference of Landlocked and Transit Developing Countries and Donor Countries and International Financial and Development Institutions on Transit Transport Cooperation, Almaty, Kazakhstan, 28 and 29 August 2003* (A/CONF.202/3), annex I.

neighbouring countries for their products and services; (c) diversifying their export base; (d) job-creating and inequality-reducing growth; (e) strengthening education and vocational training; (f) improving nutrition and health; and (g) promoting gender empowerment and social protection.[2]

4. The Commission in its resolution 69/2 on the final review of the implementation of the Almaty Programme of Action in the Asia-Pacific region requested the countries of the region and international and regional organizations to endorse the Vientiane Consensus and urgently consider the implementation, as appropriate, of its recommendations. It also requested the Executive Secretary to assist Asia-Pacific landlocked developing countries, in cooperation with development partners and other international entities and taking into account their respective mandates, in implementing the recommendations of the Vientiane Consensus.

II. Asia-Pacific landlocked developing countries: overview of challenges and prospects

5. Landlocked developing countries in general have witnessed significant fluctuations in economic growth and export performance in recent years emanating mainly from the global economic crisis and the knock-on effects of sluggish growth in advanced countries (see table). Despite notable but uneven progress, landlocked developing countries continue to face difficulties in carrying out global trade, thus preventing them from reaping the benefits of globalization and rising intraregional trade and foreign direct investment (FDI) flows.

6. The trade structure of most of these countries is characterized by export baskets that are highly dominated by primary commodities. Landlocked developing countries have become more exposed to commodity-related risks compared with a decade ago making their economies more vulnerable to declines in commodity prices in the world market.[3] Their import baskets, on the other hand, are dominated by manufactured goods, indicating the need for creating a diversified manufacturing base in most of these countries, an area in which regional cooperation in trade and FDI can play a critical role.

7. Landlocked developing countries need to work towards creating favourable market access conditions for all export products, including through the reduction or elimination of arbitrary or unjustified non-tariff barriers and other trade-distorting measures. Regional cooperation, including through preferential trade agreements and other arrangements, should be promoted to facilitate their integration into the world economy by increasing the size of markets, improving their competitiveness, enhancing regional connectivity and other trade promoting measures. Efforts are also needed to address supply-side constraints by enhancing productive capacities and reducing constraints on export development, as well as by building and diversifying their export base.

[2] See E/ESCAP/69/1, annex.

[3] See *Economic and Social Survey of Asia and the Pacific 2012: Pursuing Shared Prosperity in an Era of Turbulence and High Commodity Prices* (United Nations publication, Sales No. E.12.II.F.9).

Table
GDP growth and export growth in SPECA countries

	Real GDP growth rate (annual, %)						Merchandise export growth rate (%)			
	2008	2009	2010	2011	2012	2013	2008	2009	2010	2011
Afghanistan	3.4	22.5	8.4	5.7	6.9	6.5	19.9	-25.9	...	...
Armenia	6.9	-14.2	2.6	4.7	7.2	5.5	-8.3	-34.0	49.2	20.7
Azerbaijan	10.8	9.3	5.0	0.1	2.2	1.5	43.8	-31.0	25.5	33.6
Bhutan	4.7	6.7	11.8	11.7	8.5	8.4	4.4	-13.8	5.2	...
Kazakhstan	3.3	1.2	7.0	7.5	5.0	6.0	49.1	-39.3	37.8	-0.8
Kyrgyzstan	8.4	2.9	-1.4	5.7	-0.9	7.0	38.1	-8.0	4.9	30.5
Lao People's Democratic Republic	7.8	7.6	7.9	8.3	8.3	8.1	21.5	-5.5	45.6	31.2
Mongolia	8.9	-1.3	6.4	17.3	12.3	15.5	30.1	-25.6	49.2	30.7
Nepal	5.8	3.8	4.0	3.8	4.5	4.0	8.2	-3.4	-7.3	9.5
Tajikistan	7.9	3.4	6.5	7.4	7.5	6.5	-4.2	-28.2	18.4	17.0
Turkmenistan	10.5	6.1	9.2	14.7	11.1	8.0	29.3	-24.1	17.9	36.5
Uzbekistan	9.0	8.1	8.5	8.3	8.1	7.0	28.3	4.2	11.9	14.9

Source: Economic and Social Survey of Asia and the Pacific 2012 and *2013*.

8. Landlocked developing countries need to take effective measures to integrate trade and trade capacity-building policies into their national development strategies. In this regard, their efforts should also be directed towards strengthening human, institutional and regulatory capacities in trade policy and trade negotiations in such areas as market entry and access, tariffs, customs, competition, investment and technology, and regional integration.

9. There is also a need to reinforce assistance to these countries to enable them to participate meaningfully in different regional trading arrangements. These countries require trade-related technical assistance and other types of support in such areas as harmonization of customs procedures, development of competition policies and laws, harmonization of certification and standardization requirements, identification of markets, development of trade-supportive infrastructure and establishment of institutions to strengthen supply-side capacities.

10. With respect to transport development, important issues facing the countries are integrating transport modes to optimize efficiency, facilitating transport movements across borders, devising creative approaches for financing infrastructure investment and upgrading mobility for sustainable and inclusive development.

11. Landlocked developing countries need to take up measures to broaden their economic base, including, among them, ones that promote food, water and energy security and enhance the benefits derived from their resource base, and enable implementation of sector- and commodity-specific policies aimed at boosting productivity and diversification in order to increase value addition. Along with strategic use of commodity-specific measures, these countries need to address specific limitations. Weak infrastructure, lack of productive capacities, inability to meet product specifications and

increasingly stringent requirements in terms of quality, safety, and environmental and similar issues deter their ability to effectively expand productive capacities and diversify production.

12. In order to increase productive capacities and move up the value chain, these countries need to undertake several measures depending on specific country contexts. Some examples of these measures are strengthening national capacities to undertake analysis of competitive potential at the product and subsector levels, establishing the quality and conformity assessment infrastructure required to increase exports, working in productive sectors with high export potential to upgrade product and production quality and comply with standards and regulations so that enterprises can export successfully and developing troubleshooting mechanism in cases in which export products encounter technical barriers.

13. Furthermore, the development of productive capacities in landlocked developing countries require sustained expansion in a number of critical areas such as investments necessary to build domestic capital (covering physical, human and other forms of capital), structural transformations and building capacities of the domestic private sector to transform productive structures into higher value-added activities that involve more skilled and technology-intensive production. Such a process would lead to the development of new activities and spur economic diversification away from traditional sectors. The relevant policies must also be directed to establish a strong link between growth, employment creation and the development of productive capacities that are necessary to ensure sustainable and inclusive development in the region.

14. Despite the obvious need for trade capacity-building services and trade-related infrastructure, the private sector in most of these countries is not equipped to furnish the relevant services due to high cost and other constraints. In this context, international assistance and regional cooperation can play an important role in eliminating barriers to trade by strengthening essential public sector capacities.

III. Implementation of the Vientiane Consensus

A. Progress made

15. Under various bilateral, multilateral and self-funded arrangements, landlocked developing countries have made considerable progress in improving transport connectivity with neighbouring countries, as well as in enhancing domestic transport connectivity by improving and upgrading their transport networks. A number of projects have been planned or implemented involving the Asian Highway and Trans-Asian Railway routes and other routes of international importance with a focus on improving transport connectivity between countries. Some examples are as follows:

(a) In Azerbaijan, several road projects involving new construction, rehabilitation and upgrading along AH-5 (East-West Baku-Alat-Qazakh-Georgia Republic state border) and AH-81 (Hajigabul-Bahramtapa-Horadiz-Minjivan-Armenia border section Hajigabul-Bahramtapa) are being undertaken;

(b) In Bhutan, a major initiative has been taken to construct four missing road links comprising 345 km, namely Lhamoizingkha to Sarpang (88 km), Gelephu to Panbang (97 km), Dewathang to Nganglam (75 km) and Samrang to Jomotsangkha (85 km), during the country's 11th Five Year Plan (2013-2018). Of those four links, the Asian Development Bank (ADB) is

expected to extend assistance for the construction of the Dewathang-Nganglam segment. Project preparations for that link have already been completed. With technical assistance provided by ADB, a detailed survey is now being conducted and the project design is being set;

(c) The Government of India is implementing the Integrated Check Post (ICP) project, which is aimed at upgrading infrastructure in order to speed up procedures and processes at border crossings. Under the project, ICPs will be set up at four locations on the India-Nepal border. Regulatory agencies, such as immigration, customs and border security, together with support facilities, such as parking, warehousing, banking, and hotels, will be located at each ICP. In addition, ICP facilities will be developed on the Nepalese side of the border to enable optimum utilization of the posts;

(d) The Government of Kazakhstan has placed high importance on improving its main road corridor, the Central Asia Regional Economic Cooperation (CAREC) corridor 1b, which links Western Europe with the western part of China and extends 2,787 kilometres from Khorgos, at the border with China, to the border with the Russian Federation north of Aktobe. Separate projects within the CAREC initiative to upgrade the corridor are being implemented. In one such project, $1.26 billion has been allocated for the development of the Almaty — Khorgos road section. This project is expected to result in increased transport efficiency along the Western Europe — Western China Road Corridor within Almaty Oblast. Another project entails the upgrading of 1,065 km of the road corridor within South Kazakhstan and Kyzylorda Oblasts;

(e) A number of joint road projects has been undertaken to improve connectivity among Cambodia, the Lao People's Democratic Republic and Thailand;

(f) In Mongolia, a number of transport projects have been implemented to improve domestic, as well as cross-border connectivity with neighbouring countries. Major ongoing road projects are the construction of roads along AH-3 and AH-4 of the Asian road networks and the Millennium road, which aligns with AH-32. The Government of Mongolia has approved a midterm programme, which includes the construction of 5,572 km of roads connecting provincial centres with the capital city and the closest border entry points, and the construction of 990 km of highway along the AH-3 route;

(g) In Nepal, a container depot at Birgunj is connected to the Indian railways network, mainly to service international traffic. Another depot is being set up at Kakarbhitta to facilitate trade with countries located in the eastern part of the South Asia subregion. In addition, the World Bank is providing a $101 million loan for the upgrading of the Narayanghat-Mugling section along AH-42 in Nepal. The feasibility study for the project has already been completed. The country is also in the process of upgrading another 40-km section along AH-2;

(h) The Navoi inland container depot in Uzbekistan now serves as a subregional air hub with rail links to Central Asia and Afghanistan;

(i) In Tajikistan, a number of road projects has been implemented to improve domestic routes, as well as to enhance connectivity with neighbouring countries. A total of 1,650 km of highways have been constructed or upgraded, improving transport between Dushanbe and border points with China, Kyrgyzstan and Uzbekistan. Under the development frameworks of the Asian Highway, CAREC, the Eurasian Economic Community and the Transport Corridor Europe Caucasus Asia, the Government of Tajikistan has taken an initiative to implement a number of

road projects that are scheduled to be completed by 2025, including three Asian Highway routes, namely AH-7, AH-65 and AH-66.

16. As sustainable development is at the centre of the global development agenda for the post-2015 period, member countries have undertook several initiatives to develop national master plans that incorporate sustainable transport policies in recent years. One example is planning by the Government of Nepal to develop, with assistance from the United Nations Centre for Regional Development, an environmentally sustainable transport strategy covering the period 2015-2040.[4]

17. In 2013, after more than nine years of negotiations, members of the World Trade Organization (WTO) reached consensus on a trade facilitation agreement[5] at the ninth WTO Ministerial Conference, which was held in Bali, Indonesia, from 3 to 6 December 2013, as part of a wider "Bali Package". The final agreement contains provisions for more rapid and efficient customs procedures through effective cooperation between customs and other appropriate authorities on trade facilitation and customs compliance issues, including issues related to transit. It also contains provisions for technical assistance and capacity-building in this area.

18. Tangible progress in trade facilitation has been made by the landlocked developing countries in the region. Many of the countries, including Armenia, Azerbaijan, Bhutan, Kazakhstan, the Lao People's Democratic Republic, Mongolia, Nepal, and Tajikistan, have reduced the time and the number of documents required to complete international trade transactions. For example, the time required to process exports in the Lao People's Democratic Republic was reduced from 66 days in 2006 to 26 days in 2012, while in Azerbaijan it was cut from 69 days to 38 days. Within this group of countries, Azerbaijan and Kyrgyzstan experienced the highest reduction in the number of documents required to process imports, which for both of them was 8 documents from 18 in 2006 to 10 in 2012.[6]

19. Surveys on the implementation of trade facilitation measures conducted by ESCAP in 2012 and 2013 revealed that landlocked developing countries had undertaken the following activities related to trade facilitation measures:

(a) Afghanistan: The Export Promotion Agency of Afghanistan (EPAA), the Afghanistan Chamber of Commerce and Industries (ACCI) and the Ministry of Commerce and Industries have become active in trade facilitation;

(b) Armenia: As a member of the World Customs Organization, the county became a Contracting Party to the International Convention on the Harmonized Commodity Description and Coding System in 2009;

(c) Azerbaijan: The State Customs Committee was selected to serve as a leading agency for the implementation of a single window facility for border operations by a decree of the President of the Republic of Azerbaijan in 2008. Subsequently, single window facilities have been in operation at the customs border stations since 2009;

[4] See E/ESCAP/70/12.

[5] Agreement on Trade Facilitation (WTO Ministerial Decision of 7 December 2013) (WT/MIN(13)/36-WT/L/911).

[6] World Bank Doing Business database. Available from www.doingbusiness.org/.

(d) Bhutan: The implementation of the Bhutan Automated Customs System has led to speedy clearance of goods at entry points. The system serves as the database for all exports and imports;

(e) Kazakhstan: The Kazakhstan Customs Authority has implemented new initiatives to speed up the customs clearance process, with the most notable ones being the introduction of electronic declarations and the revitalization of the customs management information system. The Authority is also considering the establishment of a single window facility for simplifying trade procedures;

(f) Kyrgyzstan: Concrete progress has been made in implementing a single window system. The State enterprise "Single Window" Center for Foreign Trade under the Ministry of Economy has been set up to develop a national single window system;

(g) Lao People's Democratic Republic: The Ministry of Industry and Commerce has prepared the Trade Facilitation Strategic Plan (2011-2015), and a national trade portal has also been launched. An E-Customs Automated System for Customs Data (ASYCUDA) is being set up at one main border post;

(h) Mongolia: A master plan on a national single window was endorsed by the Government. A standing committee based the principle of PPP has been set up to further promote and facilitate the development of the facility;

(i) Nepal: ASYCUDA is already being used or in the process of being installed in 13 customs offices;

(j) Tajikistan: Initiatives are being undertaken to prepare for the development of a national single window system;

(k) Turkmenistan: Became a partner in the ADB-supported CAREC Programme in 2010, which is an important step for the country in its effort to facilitate trade with neighbouring countries;

(l) Uzbekistan: A communiqué on an authorized economic operator is being drafted. The country has started preparation work on the development of a national single window.

B. Challenges encountered

20. While progress has been made in the development and upgrading of the Asian Highway network in landlocked developing countries, a large part of it in some of those countries requires considerable investment to meet minimum standards. Such upgrading is important because many of the roads are vital for enhancing land transport connectivity between neighbouring countries, as well as for the region as a whole. For example, the Asian Highway routes in Myanmar need to be upgraded to enhance connectivity with China, India, the Lao People's Democratic Republic and Thailand.

21. Progress has been achieved in improving domestic and regional connectivity through implementation of intergovernmental agreements on the Asian Highway and Trans-Asian Railway networks and identification of a network of dry ports to increase trade efficiency and facilitate economic integration. There is still, however, potential for greater utilization of regional transport networks through the development of intermodal facilities, such as dry ports, and greater integration of transport modes.

22. More investment is needed in transport infrastructure, particularly in regional transport networks, as well as for increasing cross-border and transit

transport facilitation and strengthening the enabling environment for regional transport and logistics services.

23. Transfer of know-how and technical training are also important areas that need attention. In this respect, the Intergovernmental Agreement on the Asian Highway Network,[7] the Intergovernmental Agreement on the Trans-Asian Railway Network[8] and the Intergovernmental Agreement on Dry Ports[9] provide a platform for assisting countries in defining coherent and coordinated transport development policies. The secretariat encourages landlocked developing countries to ratify, accede to or approve the intergovernmental agreements on the Asian Highway and Trans-Asian Railway networks and to become Party to the Intergovernmental Agreement on Dry Ports to ensure its early entry into force.

24. High transport costs, cumbersome trade procedures, duplication of inspections and excessive paperwork combined with insufficient coordination among border agencies and lack of transparency in trade-related rules continue to pose challenges and problems in many landlocked developing countries, impairing their export competitiveness and the inflow of foreign investment.

25. Among the member countries of the United Nations Special Programme for the Economies of Central Asia (SPECA),[10] with the exception of Afghanistan, a major obstacle to active participation in ESCAP activities is language. It is therefore important to improve the availability of materials in the Russian language, as well as to provide simultaneous interpretation in meetings involving Central Asian countries. Closer cooperation with ECE, combined with the establishment of the ESCAP Subregional Office for North and Central Asia to support activities in the subregion, are among the measures taken to address this challenge.

C. Capacity development support provided by ESCAP

1. Asian Highway

26. Under the project entitled "Promotion of Investment in the Asian Highway Network: Prefeasibility Studies of Priority Sections", ESCAP, with funding from the Korea Expressway Corporation, has provided technical assistance to Kyrgyzstan and Mongolia to undertake prefeasibility studies of selected priority routes and to promote investment in the Asian Highway. In that regard, it has organized field visits and country-level workshops with the aim to build capacity in those countries in conducting prefeasibility and investment studies.

27. In conjunction with the fifth meeting of the Working Group on the Asian Highway Network, which was held in Bangkok on 7 and 8 October 2013, ESCAP organized the Asian Highway Investment Forum. Representatives of nine landlocked developing countries were among the attendees at the Forum during which the prefeasibility studies conducted in Kyrgyzstan and Mongolia and other potential investment opportunities pertaining to the Asian Highway network were presented. In addition, a special capacity-building session was held on new technologies and good

[7] United Nations, *Treaty Series*, vol. 2323, No. 41607.

[8] United Nations, *Treaty Series*, vol. 2596, No. 46171.

[9] Commission resolution 69/7, annex.

[10] The member countries of SPECA are Afghanistan, Azerbaijan, Kyrgyzstan, Tajikistan, Turkmenistan and Uzbekistan.

practices in highway construction, management, operation and maintenance. Among the topics covered at the Forum were financing of highway development through PPP, safe road infrastructure design, long-life pavement design and application of an intelligent transport system in highway operation.

2. Trans-Asian Railway

28. The third meeting of the Working Group on the Trans-Asian Railway Network, which was held in Bangkok on 5 and 6 November 2013, provided an opportunity for delegates to discuss issues related to rail connectivity. The meeting was attended by, among others, delegates representing Bhutan, the Lao People's Democratic Republic and Nepal. The latter two countries have become Parties to the Intergovernmental Agreement on the Trans-Asian Railway Network.

3. Dry ports

29. The Ministerial Conference on Transport at its second session, which was held in Bangkok from 12 to 16 March 2012, reaffirmed the mandate given earlier to the secretariat to work towards realizing the vision of an international integrated intermodal transport and logistics system to serve the region's emerging trade patterns.[11] Acting on the mandate, ESCAP has collaborated with member countries to develop a network of dry ports that would allow greater integration among infrastructure networks and increase the efficiency of transport in the region.

30. Under a project aimed at boosting capacity for the development and operation of dry ports of international importance, ESCAP in close collaboration with the Office of Legal Affairs has assisted member countries, through a series of subregional and regional meetings, in developing and negotiating the Intergovernmental Agreement on Dry Ports. The Commission adopted the final text of the Agreement in its resolution 69/7. The Agreement was opened for signature in Bangkok on 7 November 2013 during the second session of the Forum of Asian Ministers of Transport. On that occasion, 14 member countries signed the Agreement, including the Lao People's Democratic Republic and Nepal. In parallel with the Agreement, the secretariat is implementing activities to enhance the capacity of member countries to plan, develop and operate dry ports of international importance and to implement the Agreement. Landlocked developing countries have nominated a number of existing and potential dry ports in their respective territories to be included in annex I to the Agreement.

4. Transport facilitation and logistics

31. The secretariat has initiated a series of policy dialogues to strengthen transport connectivity in South and South-West Asia with particular focus on landlocked developing countries of the subregion, namely Afghanistan, Bhutan and Nepal. The first policy dialogue was held in Dhaka on 26 and 27 June 2013, during which a proposal to formulate a master plan for strengthening transport connectivity in the subregion using ESCAP tools, including the Regional Strategic Framework for Facilitation of International Road Transport, was endorsed. At the second policy dialogue, which was held in Lahore, Pakistan on 9 and 10 December 2013, the formulation of a master plan was endorsed. ESCAP has been requested to assist in its further formulation.

[11] E/ESCAP/68/9, chap. I.

32. ESCAP in collaboration with ADB held a subregional workshop in Bangkok on 9 and 11 October 2013 to discuss a secure cross border transport model to sensitize key stakeholders about the potential benefits of using an electronic vehicle tracking system to reduce inordinate delays at border crossings. Following that meeting, a national workshop was held in Bhutan in January 2014 to discuss the possible implementation of an electronic vehicle tracking system on an identified route.

33. A policy dialogue on economic and transport development in border areas of the eastern part of the South Asia subregion was held in Shillong, India in December 2013, with participation of government officials from Bangladesh, Bhutan, Nepal and Northeast Indian states. Organized in collaboration with ADB and the government of Meghalaya State of India, the policy dialogue provided an opportunity to exchange experiences in the economic and transport development of border areas. The meeting included a field visit to a border crossing.

5. Sustainable transport

34. The secretariat continues to provide assistance to landlocked developing countries in establishing sustainable transport systems. In September 2013, a regional capacity-building workshop on measurement of inland transport CO_2 emissions and mitigation policies was organized to raise awareness of the need to measure and mitigate transport emissions, introduce the For Future Inland Transport Systems tool and enhance the capacity of government officials. Among the attendees of the workshop were government officials from Bhutan, the Lao People's Democratic Republic and Nepal.

35. ESCAP held a regional expert group meeting in Incheon, Republic of Korea, from 27 to 29 November 2013 to discuss the findings of a study on policy options for sustainable transport development. Senior officials from national Governments and secondary cities, including those from Bhutan, the Lao People's Democratic Republic and Nepal, benefited from the meeting through the exchange of views and the sharing of knowledge, policies and best practices on key elements of sustainable transport development.

36. ESCAP organized a regional expert group meeting on road maintenance in Hanoi from 29 to 31 May 2013. Among the participants were representatives of Bhutan, the Lao People's Democratic Republic and Nepal. The meeting considered ways to finance road maintenance and discussed the contribution of roads, particularly rural roads, to sustainable development and poverty reduction, including the importance of maintaining those roads in order to expand their lifespan.

6. Road safety

37. Several landlocked developing countries have prepared or are in the process of finalizing their draft national strategies and action plans on road safety. ESCAP organized an expert group meeting to review progress in improving road safety in the region in Hanoi from 29 to 31 May 2013. Among the participants were government officials from Afghanistan, the Lao People's Democratic Republic and Nepal. The meeting focused on issues and challenges related to road safety of vulnerable road users and adopted a joint statement on improving road safety in the region, which reaffirmed the need

to reduce the level of road traffic fatalities by increasing road safety activities conducted at global, regional, national and local levels.[12]

38. ESCAP in collaboration with ECE organized the Europe-Asia Road Safety Forum in New Delhi from 4 to 6 December 2013. Among the Forum participants were representatives of Azerbaijan, Bhutan, the Lao People's Democratic Republic and Nepal. During the Forum, features, benefits and the implementation of the major United Nations conventions related to road safety were discussed, interregional experiences were shared and national updates on road safety progress were reviewed.

7. Asia-Pacific information superhighway

39. In 2013, ESCAP in collaboration with the International Telecommunication Union (ITU) undertook an initiative to map terrestrial Internet transmission networks. This endeavour resulted in online interactive maps of the grids of fibre optic and the location of microwave links through which Internet data are transmitted worldwide, as well as at the national level through national backbones. The maps show policymakers and investors where the missing links in terrestrial transmission are across the region. They contribute to the development of a coherent Asia-Pacific information superhighway and thereby assist member countries in their efforts to bring affordable information and communications technology (ICT) and broadband connectivity for all. These maps were launched on 18 November 2013 and are available at www.unescap.org/idd/maps/asia-pacific-superhighway.

40. The implementation of a seamless Asia-Pacific information superhighway would facilitate competition in international Internet transmission. The added transmission capacity would benefit all countries through improved redundancy and stability, as well by providing enhanced revenue-generating opportunities. Landlocked developing countries stand to gain the most from the added transmission capacity as the information superhighway infrastructure has the potential to promote competition, enhance service quality and reduce prices.

8. Macroeconomic policies

41. ESCAP in collaboration with the National Bank of Kazakhstan organized a high-level policy dialogue on macroeconomic policies for sustainable and resilient growth in North and Central Asia in Almaty, Kazakhstan, on 27 and 28 August 2013. The policy dialogue provided a timely platform for ministers of finance, governors of central banks, high-level policymakers, eminent experts and diverse stakeholders to discuss the challenges of economic growth, stability, diversification and job creation, and to take a fresh look at how macroeconomic policy tools could better serve national development agendas.

9. Trade and investment policies

42. ESCAP organized several capacity-building programmes for government officials from the Lao People's Democratic Republic on challenges and opportunities arising from the ASEAN Economic Community (AEC). Technical assistance was also provided to the delegation of that country during the fourth round negotiations of the Asia-Pacific Trade Agreement (APTA).

[12] See www.unescap.org/resources/report-expert-group-meeting-road-maintenance-and-management.

43. ESCAP provided technical support and advisory work to the Government of Mongolia in its accession to APTA, which is now pending ratification. Workshops and advisory missions were organized to increase the capacity of government officials in removing regulatory and procedural barriers to trade, including by negotiating and implementing preferential trade and investment agreements. In 2013, workshops and advisory missions were held in cooperation with development partners covering negotiations and preparation for services liberalization, as well as negotiation of rules of origin and trade in goods.

44. ESCAP, through its South and South-West Asia Office, in collaboration with the International Trade Centre (ITC), a technical cooperation agency jointly operated by the United Nations Conference on Trade and Development and WTO, started a capacity-building programme in 2012 on negotiations and implementation of WTO commitments to assist Afghanistan in the country's bid for WTO membership. The programme brings together an average of 22 government officials and private sector stakeholders for workshops held at the South and South-West Asia Office in New Delhi on specific issues related to WTO negotiations and rules. Workshops, including field visits, were held in August 2012, April and October 2013, and March 2014; one more is planned for 2014. Afghanistan has also received support through knowledge products, such as the ESCAP report entitled "Doing business with Afghanistan: harnessing Afghanistan's economic potential", which provides detailed analysis and recommendations for the business community on the investment environment in the country.[13]

10. Cross-border paperless trade

45. A total of ten landlocked developing countries in the region attended a subregional meeting, held in July 2013, and a regional meeting, held in September 2013, on regional arrangements for the facilitation of cross-border paperless trade, which were organized in pursuance of resolution 68/3. Those meetings were organized back-to-back with capacity-building training on paperless trade. A draft text of regional arrangements on the facilitation of cross-border paperless trade has been prepared with contributions from nominated national focal points and regional experts through an expert review and member countries consultations.

11. Trade facilitation

46. A total of 19 capacity-building events on trade facilitation related to landlocked developing countries were organized by ESCAP in 2013. Among them, the Asia-Pacific Trade Facilitation Forum 2013, held in Beijing on 10 and 11 September 2013, was attended by representatives of eight landlocked developing countries in the region. The United Nations Network of Experts for Paperless Trade in Asia and the Pacific (UNNExT) Masterclass 2013, a two-week intensive training on implementation of paperless trade and single window, held in Cheon-an, Republic of Korea, in October 2013, was attended by representatives of five landlocked developing countries in the region. The Global Trade Facilitation Conference 2013, held in Bangkok on 18 and 19 November 2013, was attended by government and private sector representatives of nine landlocked developing countries in the region. In addition, a joint ESCAP-ADB study on trade and transit collaboration

[13] Available from sswa.unescap.org/pdf/Doing-Business-with-Afghanistan-Report_Hires.pdf.

in member countries of the South Asia Subregional Economic Cooperation (SASEC),[14] which has been ongoing since 2012, is being finalized.

12. Transit agreement database

47. ESCAP is finalizing the first version of the database on transit agreements, which is expected to be released by May 2014. An initial analysis of the trade facilitation potential of selected Asian transit agreements in the context of the WTO trade facilitation negotiations was released in January 2014.

13. Asia-Pacific Trade and Investment Agreements Database

48. In recent years, the Asia-Pacific region has experienced a rapid increase in the number of preferential trade agreements signed and implemented at the bilateral and regional levels. This phenomenon has effectively changed the landscape of trade relations in the region and increased the complexity of doing trade in regional markets. The Asia-Pacific Trade and Investment Agreements Database (APTIAD), which is maintained by ESCAP, provides government officials, researchers and policy analysts with a tool to monitor the development of regional and bilateral trade agreements. The database has been updated and is available online. As of 30 October 2013, there were 223 preferential trade agreements recorded in the database. Brief and easy to use notes based on empirical analysis were published online explaining the evolution in preferential trade policies and agreements in strengthening South-South cooperation.

14. Statistics

49. National statistical systems of landlocked developing countries have benefited from regional exchanges of experiences and influenced the direction and focus of regional cooperation through their participation in a series of steering and advisory groups established under the auspices of the Committee on Statistics. These are the following:

(a) Bureau of the ESCAP Committee on Statistics, which includes Mongolia as a member;

(b) Steering Group for the Regional Programme on Economic Statistics, which includes the Lao People's Democratic Republic;

(c) Regional Steering Group for Civil Registration and Vital Statistics, which includes members from Bhutan and the Lao People's Democratic Republic;

(d) Steering Group for Agricultural Statistics, which includes members from Afghanistan and Bhutan (established under the joint auspices of the Asia-Pacific Commission on Agricultural Statistics, statutory body of the Food and Agriculture Organization of the United Nations and the Committee on Statistics);

(e) Technical Advisory Group on Population and Social Statistics, which includes Bhutan.

50. The Statistical Institute for Asia and the Pacific (SIAP) has conducted a range of training activities involving landlocked developing countries, including of note, training on the system of national accounts and on vital statistics, including residential courses in Afghanistan and Tajikistan. An

[14] Bangladesh, Bhutan, India and Nepal.

example of this is the First Group Training Course on Improving Capability in Producing Official Statistics Relating to MDGs Indicators, which was held in Chiba, Japan from 18 August to 21 December 2013 with participation of representatives of Afghanistan and Nepal.

51. As part of the Regional Programme for the Improvement of Economic Statistics, a capacity screening was conducted in the first half of 2013 with the participation of representatives of Armenia, Azerbaijan, Bhutan, Kazakhstan, Kyrgyzstan, the Lao People's Democratic Republic, Mongolia and Tajikistan. The capacity screening provided a snapshot of the institutional and legal setting, statistical infrastructure and the implementation of the Core Set of Economic Statistics in member countries.

52. Representatives of Bhutan and the Lao People's Democratic Republic participated in the ESCAP/UNEP/SANDEE workshop for senior policymakers and mangers on valuing and accounting for the Environment in the Asia-Pacific Region, which was held in Bangkok from 8 to 10 October 2013. The workshop, organized jointly by ESCAP, the South Asian Network for Development and Environmental Economics (SANDEE) and the United Nations Environment Programme, provided opportunities for sharing information and building cooperation among countries to address the challenge of better measurement of natural capital, including through economic valuation of ecosystem services.

53. Experts from Mongolia participated in an expert group meeting on strategies for improving environment statistics in Asia and the Pacific. Held in Bangkok from 2 to 4 December 2013, the meeting was the first step towards developing a regional approach to capacity enhancement in this domain of statistics. An important component of environment statistics is the implementation of the System of Environmental-Economic Accounting (SEEA) and natural resources statistics. The Government of Mongolia participated as a resource country for this endeavour due to its leading role in the Ulaanbaatar City Group on Statistics for Economies based on Natural Resources.

54. The Regional Consultative Workshop to Develop a Framework and Core Set of Gender Statistics and Indicators in Asia and the Pacific was held in Bangkok from 4 to 6 November 2013. Among the participants of the event were representatives of Bhutan, Kazakhstan, Mongolia and Nepal.

55. ESCAP, along with ECE and the European Free Trade Association, is conducting the Adapted Global Assessment of the National Statistical System of Mongolia. The exercise entails assessing the legal framework, institutional and organizational set-up and the data production processes of the national statistical system using as reference the Fundamental Principles of Official Statistics, which was re-endorsed by the General Assembly in its resolution 68/261. The purpose of the assessment is to provide recommendations for improvement, including institutional reforms. Two assessment missions were conducted in October 2013 and January 2014. The resulting report is scheduled to be presented to a high-level policy audience later in 2014. The Global Assessment tool has been developed and tested in other regions, and the involvement of ESCAP was initiated with a view to exploring options for applying the tool in other countries in Asia and the Pacific.

56. ESCAP also provided expert support on the compilation of industrial production indices and the seasonal adjustment of short-term indicators based on a request of the National Statistical Office of Mongolia in November 2013.

15. Disaster risk reduction

57. Afghanistan, Bhutan and Nepal benefited from regional advisory services of ESCAP in disaster risk reduction. In Afghanistan, the advisory services led to the development of the Afghanistan Strategic National Action Plan (SNAP) for Disaster Rick Reduction: Toward Peace and Stable Development, which contributed to efforts to identify key projects under the multi-stakeholders Istanbul Process DM-CBM (Disaster Management Confidence Building Measures). The advisory services also helped facilitate multi-stakeholder consultations in Afghanistan, Bhutan and Mongolia to shape the development agenda beyond 2015 with a focus on a disaster risk reduction framework.

IV. The way forward

58. During the biennium 2014-2015, ESCAP will implement, in collaboration with ECE, a United Nations Development Account project on strengthening transport connectivity in South Asia and Central Asia, with a special focus on least developed countries and landlocked developing countries. The project is aimed at strengthening the capacities of member countries in transport connectivity, including through infrastructure development and transport facilitation, with the objective to increase access of least developed countries and landlocked developing countries of South and Central Asia to regional and global markets.

59. ESCAP will continue to extend support to landlocked developing countries in efforts to realize an international integrated intermodal transport and logistics system. The adoption of the Intergovernmental Agreement on Dry Ports in 2013 is expected to help integrate the Asian Highway and Trans-Asian Railway networks and further improve physical connectivity in the region. ESCAP will therefore continue to promote the intergovernmental agreements on the Asian Highway and Trans-Asian Railway networks and the Intergovernmental Agreement on Dry Ports, which form the basis for an international integrated intermodal transport and logistics system in the region.

60. One of the major challenges to regional connectivity is the inordinate delays that occur at border crossings. ESCAP has developed various transport facilitation models to identify and propose solutions to mitigate such delays. Among them are the following: the Secure Cross Border Transport Model, which provides a concept for a vehicle tracking system using new technologies; the Efficient Cross-border Transport Model, which serves as a methodology for identifying non-physical barriers, evaluating alternatives and finding optimal solutions that can work most effectively in a given subregion; the Model on Integrated Controls at Border Crossings, which provides ways to streamline the flow of information and equipment at the borders; and the Time/Cost-Distance methodology (TCD), which identifies bottlenecks along the corridors. A series of workshops are planned in landlocked developing countries on dissemination and practical implementation of those models to promote seamless international road transport in support of regional connectivity. Policy dialogues are planned in 2014 to sensitize policymakers and key stakeholders to the lost opportunities and benefits forgone due to poor connectivity in general, with a focus on landlocked developing countries. Simultaneously, steps will be taken to formulate the master plan to strengthen transport connectivity in South and South-West Asia for consideration and subsequent adoption by the countries. National workshops on the Secure Cross Border Transport Model are planned in landlocked developing countries to provide advisory services on

implementation of an electronic vehicle tracking system that would help reduce delays at the borders.

61. Currently, six landlocked developing countries in the region are members of the WTO, namely Armenia, the Lao People's Democratic Republic, Kyrgyzstan, Mongolia, Nepal, and Tajikistan. It will be important for these countries to further assess their readiness and take measures to implement the Agreement on Trade Facilitation, including possible revisions of transit agreements in line with the enhanced freedom of transit provisions of the Agreement.[15]

62. To further facilitate international trade and reduce trade costs, landlocked developing countries should be actively involved in implementing resolution 68/3 on enabling paperless and the cross-border recognition of electronic data and documents for inclusive and sustainable intraregional trade facilitation, in which the key issues and challenges addressed, although relevant to all member countries, are particularly relevant to landlocked developing countries.

63. Landlocked developing countries are encouraged to fully utilize the tools for trade facilitation developed by international organizations to further build capacity of relevant stakeholders. In this respect, they are encouraged to take advantage of the guides developed by UNNExT on such topics as business process analysis, document alignment, data harmonization and modeling, and single window implementation.

64. Landlocked developing countries may develop mechanisms to more accurately monitor their progress in facilitating trade and more effectively prioritize implementation of trade facilitation measures. Indeed, while macro-level performance indicators, such as those found in the recently released ESCAP World Bank International Trade Costs database or the World Bank Doing Business database, are useful, regular and systematic, conducting an import-export process analysis at the product level or along specific trade routes is needed in order to identify the real and often changing procedural bottlenecks along the relevant international supply chains. Landlocked developing countries are also encouraged to utilize the latest trade facilitation tool on trade and transport facilitation monitoring, which was jointly developed by ESCAP and ADB, and currently is being implemented in Bhutan and Nepal in collaboration with the World Customs Organization.[16]

65. As trade and transport are inextricably linked, coordination mechanisms for trade and transport facilitation should be developed or strengthened as part of an integrated effort to enhance connectivity of landlocked developing countries with key markets and increase their share of regional and global trade. In that context, promoting the development of core trade-related service sectors and improving the business regulatory environment may also be considered by landlocked developing countries.

66. ESCAP trade and investment capacity-building and advisory activities for landlocked developing countries will continue in 2014. The secretariat is preparing policy prescriptions for the capacity development needs of landlocked developing countries to negotiate successfully in the post-Bali WTO negotiations, as well as in transit agreements. Pending availability of resources, assistance will be provided to landlocked developing countries through such

[15] See Ministerial Decision of 7 December 2013 (WT/MIN(13)/36-WT/L/911, 11 December 2013).

[16] Details are available from www.unescap.org/tid/publication/tipub2683.asp.

means as working with their think tanks and civil society, as well as with international think tanks that focus on landlocked developing countries.

67. ESCAP is implementing a Russian Federation-funded project on strengthening national statistical systems in priority countries to produce and disseminate economic statistics including national accounts in accordance with the System of National Accounts 2008 (2008 SNA). The target countries for this project are Armenia, Azerbaijan, Kazakhstan, Kyrgyzstan, Uzbekistan and Turkmenistan. Two main events are planned for 2014: a high-level event advocating coordinated implementation of major macroeconomic statistical frameworks (business process management, government finance statistics, SNA) in Central Asian countries; and a technical training course for Central Asian countries on the changes in the 2008 SNA that affect gross domestic product (GDP).

68. ESCAP is working with ECE on the preparations of the 9th meeting of the SPECA Project Working Group on Statistics, which will be held in Baku from 25 to 27 June 2014.

69. A number of activities are proposed in the biennium 2014-2015 to help build resilience to natural disasters in several member countries, including some landlocked developing countries. Pilot studies will be undertaken related to monitoring resilience in Mongolia. Additional work has been proposed in building resilience to natural disasters for several landlocked developing countries, particularly in Central Asia, as recommended by the Committee on Disaster Risk Reduction at its third session, which was held in Bangkok from 17 to 29 November 2013.[17] ESCAP is developing a set of indicators to measure resilience to natural disasters and economic shocks. This will be an important longer term activity to assist countries in their effort to integrate disaster risk reduction into broader development strategies.

[17] See ESCAP/70/14, chap 1.